**Introducing A New Partner In An Existing Partnership**

**THIS DEED** is executed on this \_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_ **between:**

Sh.\_\_\_\_\_\_\_\_\_\_ s/o, Sh. \_\_\_\_\_\_\_\_\_\_\_, r/o of \_\_\_\_\_\_\_\_\_\_,

 Sh.\_\_\_\_\_\_\_\_\_ s/o, Sh. \_\_\_\_\_\_\_\_\_\_, r/o of \_\_\_\_\_\_\_\_\_\_, (hereinafter referred to as "the existing Partners") of the one part

**AND**

Sh.\_\_\_\_\_\_\_\_\_\_ s/o, Sh. \_\_\_\_\_\_\_\_\_, r/o of \_\_\_\_\_\_\_\_\_\_, hereinafter referred to as "the new partner") of the other part

The existing partners and the new partner hereinafter collectively referred to as the "Parties".

WHEREAS

1. The existing Partners have been carrying on the business of \_\_\_\_\_\_\_\_ in partnership together at under the firm name M/s \_\_\_\_\_\_ vide terms of a deed of partnership dated \_\_\_\_\_\_\_\_ (hereinafter called "the existing partnership business").

2. Sh. \_\_\_\_\_\_\_\_\_ has expressed his desire to join the existing partnership business as the new partner and is ready to contribute a capital of Rs.\_\_\_\_\_\_\_\_\_

3. The existing Partners have agreed to introduce Sh. \_\_\_\_\_\_\_\_\_ as the new partner in the existing partnership business on the terms and conditions hereinafter appearing.

NOW THIS DEED WITNESSETH AS UNDER:

**1. Term of Partnership**

The partnership hereby constituted (hereinafter called "the new partnership") shall be deemed to have commenced on the day of \_\_\_\_\_\_\_\_\_\_ and from such date the deed of partnership dated \_\_\_\_\_\_\_\_shall be superseded by this deed and shall continue unless otherwise determined by the Parties.

**2. Name**

That the business of the Partnership shall be carried on under the same name and style as that of the existing partnership business i.e. M/s \_\_\_\_\_\_\_\_\_\_\_\_\_.

**3. Place of Carrying Business**

That the business of Partnership shall be carried from \_\_\_\_\_\_\_\_\_\_\_\_\_ or any other place as may be agreed upon by the Parties.

**4. Capital Contribution & Interest on Capital**

The capital of the new partnership shall be Rs. \_\_\_\_\_\_\_\_\_\_ whereof Rs.\_\_\_\_\_\_\_\_ represents the capital of the existing partnership contributed by the partners and the balance of Rs \_\_\_\_\_\_\_\_ shall be contributed by the new partner \_\_\_\_\_\_\_\_\_ as his share. However, further funds required for the new Partnership shall be contributed or arranged by the Parties equally and in such manner as may be mutually agreed upon by and between the Parties from time to time. Interest at the rate of \_\_\_\_ percent per annum or as may be prescribed under Section 40 (b) of the Income Tax Act, 1961 or any other applicable provisions as may be in force under the Income tax assessment of Partnership firm for the relevant accounting period shall be payable to the Parties on account standing to the credit of the account of the Parties. Such interest shall be calculated and credited to the account of each partner at the close of each accounting year. However, in case of loss or lower income, rate of interest can be nil or lower than \_\_\_\_ percent as may be agreed upon by and between the Parties from time to time.

**5. Remuneration**

That the new partner shall also be a working partner in the firm and he shall be entitled to a remuneration of Rs. \_\_\_\_\_\_\_\_ per month which shall be paid by the \_\_th of each month. The Parties shall be entitled to increase or reduce the above remuneration as may be agreed upon from time to time by and between the parties.

**6. Drawings by Partner**

The new Partner shall be entitled to draw (in addition to the remuneration as per clause 4) out of the partnership business any sum or sums of money not exceeding Rs. \_\_\_\_\_\_\_ per month for his own use, such sums to be duly accounted for on each succeeding settlement of accounts and division of profits of the partnership and if any excess drawings is found on any such settlement, the same shall be refunded by the new partner concerned (with interest at \_\_\_% per annum).

**7. Debts of Old Partnership**

All the debts and liabilities of the existing partnership shall be discharged by the existing partners and they shall indemnify and keep indemnified the new partner and also the assets and the properties of the new partnership against such debts, liabilities and against all proceedings, costs, claims and expenses in respect thereof;

**8. Profits of Old Partnership**

All the profits of the existing partnership up to the commencement of the new partnership shall belong to the existing partners only in the proportions in which they would be entitled thereto vide the terms of deed of partnership dated \_\_\_\_\_\_\_

**9. Profit Sharing Ratio of new partnership**

That profits or losses of the new Partnership (including losses of capital nature, if any) shall be divided amongst and borne by the Parties in proportion to their respective shares in the new partnership.

**10. Deed of Partnership dated \_\_\_\_\_ to remain in force**

All the terms of the deed of partnership dated \_\_\_\_\_\_\_, except those as has been modified by this deed, shall remain in force and shall have effect as if the same have been executed by the parties hereto.

**IN WITNESS WHERE OF,** the parties have set their hands this \_\_\_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_.

The Existing Partners

The New Partner

**Witnesses:**

1.

2.